



North Carolina Department of Health and Human Services

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Memorandum

TO: Area Directors

FROM: Mike Moseley, Director, DMH/DD/SAS
Gary Fuquay, Director, DMA

SUBJECT: Clarification of Payments to Providers

DATE: November 5, 2004

Based on inquiries from local management entities (LMEs) and private providers, we find it necessary to provide you with this letter of clarification regarding the requirements of billing and reimbursement for Medicaid service provided by behavioral healthcare outpatient therapy specialties that received less than 100% of the mental health fee schedule rate.

Per the Division of Medical Assistance reimbursement policy, not all specialties of outpatient therapy providers are reimbursed at the same rate. Specific to mental health services, nurse practitioners are reimbursed at 85% of the physician fee schedule and licensed clinical social workers are reimbursed at 75%. We are posting these fee schedules to our respective web sites for your information and use. It is our Divisions' position that any outpatient therapy specialty who is not an employee of a LME and who is directly enrolled in Medicaid or is qualified to be enrolled should bill with their own provider number to Medicaid for services they provide. If the provider is serving adults and is not eligible to enroll with Medicaid directly at this time and is, therefore, billing through a LME, the LME should only reimburse the provider at the rate at which Medicaid would reimburse them. In this situation, the LME should bill Medicaid at the provider specialty rate.

This modification in the billing rate for LME employee provided services and contracted outpatient therapy services should only be necessary until January 2005. With the expansion of direct enrollment, all providers of both adult and child outpatient therapy services will be able to enroll with Medicaid, eliminating the need to bill through the LMEs.

If you should have any questions or concerns regarding this memorandum please contact Jamie Christensen for DMA at (919) 855-4200 or Rick DeBell for DMHDDSAS at (919) 733-7013.

Cc: Secretary Carmen Hooker Odom
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